

**Schools Forum – Tuesday 2<sup>nd</sup> October 2007**

**Report of the Director of Children’s Services**

**Schools Reserves Update**

**Purpose of Report**

1. To update Schools Forum on the Director’s decision regarding the claw back of unspent reserves in accordance with Section 4.2.2 of Dudley’s Scheme for Financing Schools.

**Budget Working Group Discussed**

2. No

**Schools Forum Action**

3. To note the Director of Children’s Services claw back decisions for 2006/07.

**Attachments to Report**

4. Appendix A School Reserves claw back

Mirella Harris  
Senior Principal Accountant  
18 September 2007

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**Report of the Director of Children's Services**

**School Reserves Update**

**Purpose of Report**

1. To update Schools Forum on the Director's decision regarding the claw back of unspent reserves in accordance with Section 4.2.2 of Dudley's Scheme for Financing Schools.

**Background**

2. At the last meeting held on the 10 July, Schools Forum was advised of the Directors proposals to claw back £197K of reserves from 10 schools. This related to the financial year ended 31 March 2007.
3. The minutes from the last Forum meeting state that "a member commented that her school was included in the list of schools from which funds were to be 'clawed back', despite the Director of Children's Services having not yet considered the reasons provided by the school for the funds being withheld. In view of this, she requested that the endorsement of the 'claw back' amounts be deferred until the Director returned from sick leave. It was noted that that whilst it would not be possible to defer the decision until the next Forum meeting in September, the Forum could endorse the proposed 'claw back', subject to any modifications agreed by the Director of Children's Services upon his return".
4. The Forum resolved that, subject to any modifications agreed by the Director of Children's Services, the 'claw back' of unspent balances from Dudley schools, as set out in Appendix C to the report submitted, be endorsed.
5. The Director has now given due consideration to all responses made by schools and the claw back decisions are attached at Appendix A.
6. Once the final amount of reserves clawed back is known, the total will be applied to the Schools Budget and allocated in accordance with Schools Forum agreement as required by 4.2.2 of Dudley's Scheme for Financing Schools.

**Finance**

7. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2007.
8. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

### **Law**

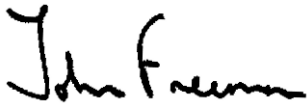
9. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

### **Equality Impact**

10. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

### **Recommendation**

11. Schools Forum note the Director of Children's Services action to claw back the unspent balances from the schools shown in Appendix A.



**John Freeman**

**Director of Children's Services**

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